

MAY 17 1996

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY CWB

In the Matter of) Docket No. 96A-072
CAMICO Mutual Insurance Company,)
A California Corporation,)
(NAIC No. 36340))
Respondent.)
_____)

CONSENT ORDER FOR
ISSUANCE OF
CERTIFICATE OF AUTHORITY

CAMICO Mutual Insurance Company, ("CAMICO"), A California mutual corporation, has filed an application (the "Application") with the Director of Insurance for the State of Arizona ("Director") insurer in accordance with A.R.S. §20-215 for the issuance of a certificate of authority to transact insurance business as a foreign casualty. After reviewing the Application, additional information and applicable documents provided to the Arizona Department of Insurance ("Department"), the Director finds that subject to certain conditions as ordered herein CAMICO meets the requirements for and is entitled to the certificate of authority. CAMICO wishes to resolve this matter without formal adjudicative proceedings, has no objection to the conditions ordered herein, and therefore consents to the entry of the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACTS

1. CAMICO filed a complete Application with the Department pursuant to A.R.S. §20-215.
2. On March 11, 1996, the Board of Directors of CAMICO held a special meeting at which certain resolutions were adopted

1 concerning the Application. A copy of said resolution is
2 attached hereto and incorporated herein by this reference.

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4 CONCLUSIONS OF LAW

5 1. The Department's examination of the Application
6 concludes that the provisions of A.R.S. Title 20 have been
7 complied with and CAMICO is entitled, subject to the conditions
8 ordered herein, to a certificate of authority to transact
9 insurance business as a foreign casualty insurer in this state
10 within the meaning of A.R.S. §20-216.

11 ORDER

12 IT IS THEREFORE ORDERED:

13 1. CAMICO shall accept the resignation of Monica
14 Finney Griffin as an officer and employee.

15 2. Separation of Monica Finney Griffin from CAMICO
16 shall be final, complete and not subject to reconsideration.

17 3. CAMICO shall have no business relationship with Ms.
18 Griffin subsequent to her resignation and the execution of a
19 Release, whether direct or indirect, including Ms. Griffin acting
20 as a consultant, independent contractor, or agent in any capacity
21 whatsoever on behalf of CAMICO.

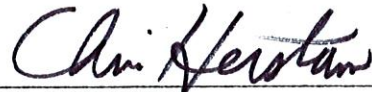
22 4. CAMICO shall implement procedures to ensure that
23 background checks on all officers, directors and key employees
24 are performed prior to their hire or appointment.

25 5. CAMICO shall take the necessary measures to
26 disclose this matter to the California Department of Insurance
27 and all other states where CAMICO is licensed or in the process
28 of becoming licensed to transact insurance business.

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2 6. CAMICO shall comply and continue to comply in all
3 other respects with the resolution of its Board of Directors
4 dated March 11, 1996.

5 7. The Application of CAMICO for a certificate of
6 authority to transact insurance business in Arizona as a foreign
7 casualty insurer is granted.

8 DATED this 16th day of ^{may} April, 1996.

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12 CHRIS HERSTAM
13 Director of Insurance
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3 CONSENT TO ORDER

4 1. CAMICO is aware of its right to a hearing to
5 contest the conditions ordered herein, at which hearing CAMICO
6 may be represented by counsel, present evidence and cross-examine
7 witnesses. CAMICO irrevocably waives its right both to such
8 hearing and to any appeal of this Consent Order.

9 2. CAMICO admits the jurisdiction of the Director of
10 Insurance, State of Arizona and consents to the entry of the
11 foregoing Findings of Fact, Conclusions of Law and Order.

12 3. CAMICO states that no promise of any kind or nature
13 whatsoever has been made to induce it to enter into this Consent
14 to Order and that it has entered into this Consent to Order
15 voluntarily.

16 4. CAMICO acknowledges that acceptance of this Consent
17 Order by the Director of Insurance, State of Arizona, is solely
18 to settle this matter and does not preclude any other agency or
19 officer of the state or subdivision thereof from instituting
20 other civil or criminal proceedings as may be appropriate now or
21 in the future.

22 5. Edward G. Marley, who holds the office of
23 Secretary/Treasurer of CAMICO avers that (s)he is
24 authorized to enter into this Consent to Order for and on its
25 behalf.

26 CAMICO Mutual Insurance Company

27 May 5, 1996
28 (Date)

By Edward G. Marley

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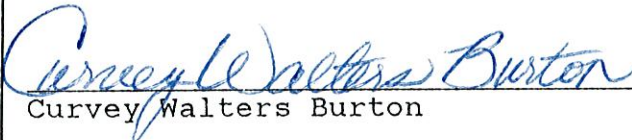
COPY of the foregoing mailed/delivered
this 17th day of ~~April~~, 1996, to:

May

Charles R. Cohen, Executive Assistant Director
Gregory Harris, Executive Assistant Director
Erin Klug, Executive Assistant
Catherine O'Neil, Assistant Director
Gary Torticill, Assistant Director
Deloris Williamson, Assistant Director
Nancy Howse, Deputy Chief Examiner
Kelly Stephens, Deputy Assistant Director
Jeffrey Solem, Chief Analyst
Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

J. Michael Low, Esq.
Low & Childers, P.C.
2999 North 44th Street
Suite 250
Phoenix, AZ 85018

Edward G. Marley, Vice President - Finance
CAMICO Mutual Insurance Company
255 Shoreline Drive, Third Floor
Redwood City, CA 94065-1404


Curvey Walters Burton

**Minutes of a Special Meeting
of the
Board of Directors
of
CAMICO Mutual Insurance Company
March 11, 1996
10:30 a.m.**

A special meeting of the directors of CAMICO Mutual Insurance company was held via teleconference on the 11th day of March, 1996, originating at the offices of the Company, 255 Shoreline Drive, Suite 300, Redwood City, California.

The following individuals were present, to-wit:

Louis J. Barbich, Chairman of the Board
John A. Dodsworth, Director and President
Robert E. Carne, Director
Roland R. Mangiantini, Director
Sheldon D. Sicotte, Director
Victor I. McCarty, Director
Diana P. Sanderson, Director
Arnold E. Bernstein, Director
James R. Kurtz, Director
William K. Scheuber, Director
Edward G. Marley, Secretary and Treasurer

The first order of business was to discuss the resignation of Monica Finney Griffin as a Vice President of the Company. On a Motion duly made and seconded, the following resolution was adopted unanimously:

RESOLVED, that the action of the President in accepting the resignation of Monica Finney Griffin as an officer and employee of the Company is ratified, affirmed and found to be in the best interest of CAMICO Mutual Insurance Company;

FURTHER RESOLVED, that the separation of Monica Finney Griffin from the Company shall be final, complete and not subject to reconsideration, it being the intent of the directors that the Company shall have no business relationship with Ms. Griffin subsequent to her resignation and the execution of a Release, whether direct or indirect, including Ms. Griffin acting as a consultant, independent

contractor or, agent or in any capacity whatsoever on behalf of the Company;

FURTHER RESOLVED, that the officers are hereby authorized and instructed to immediately design and implement procedures relating to background checks on officers, directors and key employees to ensure the integrity and honesty of the employees and directors of CAMICO Mutual Insurance Company;

FURTHER RESOLVED, that the officers negotiate an appropriate resolution to this matter with the Arizona Department of Insurance so that the application for Certificate of Authority to transact insurance business in the State of Arizona may be issued to CAMICO Mutual Insurance Company; and

FURTHER RESOLVED, that the officers take the necessary measures to properly disclose this matter to the California Department of Insurance and all other states where the Company is licensed or in the process of being licensed to transact insurance business; and

FURTHER RESOLVED, that the officers convey the appreciation of the directors of the Company to the Arizona Department of Insurance for bringing certain matters to the attention of the officers of the Company so that appropriate and necessary corporate actions could take place.

There being no further business the meeting was adjourned at 11:30 a.m.

CERTIFICATION OF SECRETARY

I, Edward G. Marley do hereby certify that I am the duly elected qualified and acting Secretary of CAMICO Mutual Insurance Company, a California Corporation, and I do hereby further certify that the foregoing is a true and correct copy of the Minutes of Action by the Special Meeting of the Board of Directors of CAMICO Mutual Insurance Company on March 11, 1996, and that said resolutions are in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate as Secretary of said Corporation on the 11th day of March, 1996.


Secretary